

# Triangle Industries Ltd.

Condensed Interim Consolidated Financial Statements  
(Unaudited)

Expressed in Canadian dollars

For the three and nine months ended September 30, 2017 and 2016

## Table of Contents

	<u>Page</u>
Notice of No Auditor Review of Condensed Interim Financial Statements .....	2
Condensed Interim Consolidated Statements of Financial Position (Unaudited) .....	3
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss (Unaudited) .....	4
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity (Unaudited) .....	5
Condensed Interim Consolidated Statements of Cash Flows (Unaudited) .....	6
 Notes to the Condensed Interim Consolidated Financial Statements:	
1. Corporate Information .....	7
2. Basis of Presentation and Summary of Significant Accounting Policies .....	7
3. Critical Accounting Estimates and Assumptions .....	8
4. Cash .....	8
5. Share Capital .....	9
6. Share-Based Payments .....	9
7. Financial Instruments .....	10

## Notice of No Auditor Review of Condensed Interim Financial Statements

---

These condensed interim consolidated financial statements of Triangle Industries Ltd. have been prepared by management and approved by the Audit Committee and Board of Directors of the Company. In accordance with National Instrument 51-102 "Continuous Disclosure Obligations" released by the Canadian Securities Administrators, the Company discloses that its external auditors have not reviewed these condensed interim consolidated financial statements, notes to financial statements and the related quarterly Management Discussion and Analysis.

Triangle Industries Ltd.  
Condensed Interim Consolidated Statements of Financial Position  
(Unaudited)  
Expressed in Canadian dollars

	Note	September 30, 2017	December 31, 2016
<b>Assets</b>			
Current assets			
Cash	4	\$ 325,874	\$ 352,976
Receivables		3,829	646
Prepaid expenses		7,150	7,151
<b>Total assets</b>		<b>\$ 336,853</b>	<b>\$ 360,773</b>
<b>Liabilities and shareholders' equity</b>			
Current liabilities			
Accounts payable and accrued liabilities		\$ 9,375	\$ 13,510
<b>Total liabilities</b>		<b>9,375</b>	<b>13,510</b>
Shareholders' equity			
Share capital	5	7,147,892	7,147,892
Share-based payment reserve	6	119,586	119,586
Deficit		(6,940,000)	(6,920,215)
<b>Total shareholders' equity</b>		<b>327,478</b>	<b>347,263</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 336,853</b>	<b>\$ 360,773</b>

Basis of presentation (Note 2)

Approved on behalf of the Board of Directors by:

"Neil Halldorson"
"Geoffrey Edwards"

Director
Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Triangle Industries Ltd.  
Condensed Interim Consolidated Statements of Loss and Comprehensive Loss  
(Unaudited)  
Expressed in Canadian dollars

	Three months ended		Nine months ended	
	September 30		September 30	
	2017	2016	2017	2016
Expenses				
Office and administration	\$ -	\$ (2)	\$ 46	\$ 186
Professional fees	3,513	3,844	14,788	14,765
Transfer agent and shareholder costs	1,991	1,997	8,174	10,140
Loss from operating activities	(5,504)	(5,839)	(23,008)	(25,091)
Interest and other income	1,174	1,147	3,223	3,479
Loss and comprehensive loss for the period	\$ (4,330)	\$ (4,692)	\$ (19,785)	\$ (21,612)
Loss per share, basic and diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)
Basic and diluted weighted average number of common shares outstanding	13,656,957	13,656,957	13,656,957	13,656,957

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Triangle Industries Ltd.  
Condensed Interim Consolidated Statements of Changes in Shareholders' Equity  
(Unaudited)  
Expressed in Canadian dollars

	Share Capital		Share-based Payment Reserve	Deficit	Total Shareholder's Equity
	Number of Shares	Amount			
Balance, December 31, 2016	13,656,957	\$ 7,147,892	\$ 119,586	\$ (6,920,215)	\$ 347,263
Loss for the period	-	-	-	(19,785)	(19,785)
Balance, September 30, 2017	13,656,957	\$ 7,147,892	\$ 119,586	\$ (6,940,000)	\$ 327,478
Balance, December 31, 2015	13,656,957	\$ 7,147,892	\$ 119,586	\$ (6,888,193)	\$ 379,285
Loss for the period	-	-	-	(21,612)	(21,612)
Balance, September 30, 2016	13,656,957	\$ 7,147,892	\$ 119,586	\$ (6,909,805)	\$ 357,673

The accompanying notes are an integral part of these condensed interim consolidated financial statements

Triangle Industries Ltd.  
Condensed Interim Consolidated Statements of Cash Flows  
(Unaudited)  
Expressed in Canadian Dollars

	Nine months ended	
	September 30,	
	2017	2016
Cash flows from operating activities		
Loss for the period	\$ (19,785)	\$ (21,612)
Adjustments for:		
Interest income	(3,223)	(3,478)
Net change in non-cash working capital:		
Prepaid expenses	-	236
Accounts payable and accrued liabilities	(4,134)	(7,466)
<b>Total cash outflows from operating activities</b>	<b>(27,142)</b>	<b>(32,320)</b>
Cash flows from investing activities		
Interest received	40	-
<b>Total cash inflows from investing activities</b>	<b>40</b>	<b>-</b>
Decrease in cash during the period	(27,102)	(32,320)
Cash at beginning of period	352,976	388,097
<b>Cash at the end of period</b>	<b>\$ 325,874</b>	<b>\$ 355,777</b>

There were no non-cash financing or investing activities during the nine months ended September 30, 2017 and 2016

The accompanying notes are an integral part of these condensed interim consolidated financial statements

## 1. Corporate Information

Triangle Industries Ltd. (the "Company") was incorporated on November 16, 1983 under the British Columbia Companies Act and was in the business of providing freight, reloading and warehousing services, collectively called "transloading". The Company wound up its transloading business and disposed of substantially all related assets in the year ended December 31, 2010. Management was of the opinion that Company resources could be better utilized under a new business plan designed to improve the Company's prospects and to recapture shareholder interest. The Company is actively seeking opportunities to acquire or participate in new assets or businesses.

The Company is listed on the NEX board of the TSX Venture Exchange("TSX-V"), and trades under the symbol TIA.H. The Company's registered address is Suite 409, 221 West Esplanade, North Vancouver, British Columbia, Canada.

The Company incurred a net loss of \$19,785 during the nine months ended September 30, 2017 (2016 - \$21,612), and as of this date the Company's accumulated deficit is \$6,940,000 (2016 - \$6,909,805).

These condensed interim consolidated financial statements were authorized for issue by the Audit Committee and Board of Directors on November 24, 2017.

## 2. Basis of Presentation and Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these condensed interim consolidated financial statements are set out below.

### l) Basis of Presentation and Measurement

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, Interim Financial Reporting using accounting policies consistent with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC"). They do not include all the information required for annual financial statements, and therefore should be read in conjunction with the Company's annual consolidated financial statements for the years ended December 31, 2016 and 2015.

The accounting policies followed in these condensed interim financial statements are consistent with those disclosed in Note 2 of the Company's consolidated financial statements for the years ended December 31, 2016 and 2015.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates and exercise judgement in applying the Company's policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.



## II) Significant Accounting Policies

### a) Basis of Consolidation

These condensed interim consolidated financial statements combine the results and financial position of the Company and entities over which it exercises control. Although virtually inactive since 2011, the Company's wholly-owned subsidiaries are as follows:

Subsidiary	Jurisdiction	Nature of Operation	Equity Interest September 30,	
			2017	2016
Bridges Reload Inc.	BC, Canada	Holding	100%	100%
Burnaby Distribution Centers Inc.	BC, Canada	Holding	100%	100%
Triangle Asset Management Ltd.	BC, Canada	Holding	100%	100%

The financial statements of these subsidiaries are included in the condensed interim consolidated financial statements from the date that control commenced until the date that control ceases. All intercompany balances and transactions have been eliminated.

### b) Accounting pronouncements not yet effective

Certain pronouncements have been issued by the IASB or IFRIC that are not mandatory for 2017 reporting periods. Many of these updates are not applicable or consequential to the Company and have been excluded from the discussion below.

- IFRS 9 Financial Instruments is effective for years commencing on or after January 1, 2018, and will replace IAS 39, Financial Instruments: Recognition and Measurement. Under IFRS 9, financial assets will be classified and measured based on the business model in which they are held and the characteristics of the associated contractual cash flows. IFRS 9 also includes a new general hedge accounting standard which will better align hedge accounting with risk management. The Company intends to adopt IFRS 9 in its consolidated financial statements for the year commencing January 1, 2018.

The eventual application of this standard is not expected to have a significant impact on the Company's existing accounting policies or financial statement presentation.

## 3. Critical Accounting Estimates and Assumptions

Areas of judgment that have the most significant effect on the amounts recognized in the financial statements are disclosed in Note 2 IV of the Company's annual consolidated financial statements for the years ended December 31, 2016 and 2015. There have been no material revisions to the nature of judgments and amount of change in estimates in this period, from those disclosed in the Company's annual consolidated financial statements.

## 4. Cash

Cash is comprised of the following:

	September 30, 2017	December 31, 2016
Cash	\$ 5,874	\$ 2,976
Term deposit	320,000	350,000
	\$ 325,874	\$ 352,976

The term deposit can be redeemed at any time without penalty.

## 5. Share Capital

The Company is authorized to issue an unlimited number of common shares without par value. There were no shares issued from December 31, 2015 to September 30, 2017.

## 6. Share-Based Payments

### Stock Option Plan Details

The Company adopted an incentive stock option plan in 2008 ("the 2008 Plan"), which allows the Company's Board of Directors, at its discretion and in accordance with the TSX-V requirements, to grant non-transferable options for the purchase of common shares to its directors, officers, employees, consultants, or service providers of the Company. Under the 2008 Plan, the maximum number of common shares which may be eligible for issuance at any one time, including shares issuable upon exercise of options outstanding is 2,731,391 common shares. Furthermore, the maximum number of common shares which may be granted to a participant under the 2008 Plan shall not exceed 5% of its issued and outstanding common shares on a non-diluted basis.

The terms of the 2008 Plan provide that the Board of Directors with the right to grant options, to acquire common shares of the Company, at not less than the closing market price of the shares at the time of granting the option. The options can be granted for a maximum term of 5 years. Options granted under the terms of the 2008 Plan vest at the discretion of the Board of Directors.

On September 7, 2012, when the Company's listing moved to the NEX board of the TSX-V, a further compliance limit was imposed on stock option grants. During any 12-month period, the maximum number of options that may be reserved for issuance or issued is limited to 10% of the issued and outstanding securities.

The following table is a reconciliation of outstanding and exercisable stock options from December 31, 2015 to September 30, 2017:

	Number of Options	Weighted Average Exercise Price (\$)	Weighted Average Fair Value (\$)
Outstanding – September 30, 2017, and December 31, 2015	1,050,000	\$ 0.05	\$ 0.01

The following table summarizes the share options outstanding and exercisable at September 30, 2017:

Exercise Price	Number of Share Options Vested and Exercisable	Weighted Average Remaining Contractual Life	Expiry Date
\$ 0.05	1,050,000	3.13 years	November 15, 2020

## 7. Financial Instruments

The Company's financial instruments include cash, receivables, and accounts payable and accrued liabilities.

### Determination of Fair Value

The carrying value of cash, receivables, accounts payable and accrued liabilities approximate their fair value because of the short-term nature of these instruments. The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

	Fair Value Measurement Hierarchy	Fair Value Through Profit or Loss	Loans and Receivables	Other Financial Liabilities
As at September 30, 2017:				
Cash	Level 1	\$ 325,874	\$ -	\$ -
Receivables	Not applicable	-	3,829	-
Accounts payable and accrued liabilities	Not applicable	-	-	(9,375)
As at December 31, 2016:				
Cash	Level 1	\$ 352,976	\$ -	\$ -
Receivables	Not applicable	-	646	-
Accounts payable and accrued liabilities	Not applicable	-	-	(13,510)

### Fair Value Hierarchy

Financial instruments measured at fair value on the statement of financial position are summarized into the following fair value hierarchy levels:

Level 1 - unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).